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OCTOBER 11, 1965

ARGENTINA'S MEAT BOARD AND THE LIVESTOCK PROBLEM

VEGETABLE-FIBERS GLOSSARY

EXPORT AND PROMOTION OF U.S. FEED GRAINS

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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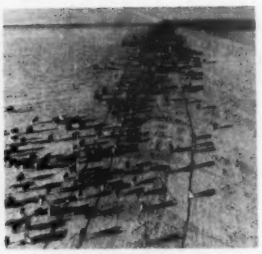

Beef cattle are moved from one extensive pasture to another in Argentina, which is having trouble producing enough beef to meet both foreign and domestic demands. See story opposite.

Contents

3 National Meat Board Tackles Argentine Livestock Problems

5 Ready European Meat Market Attracts New Zealand Exporters

5 Peru Permitting Duty-Free Entry of Poultry Backs and Necks

6 Glossary of the World's Vegetable Fibers: Leaf Fibers

7-9 Market Development

- The Export and Promotion of U.S. Feed Grains
- Japanese Oil Processors Here for Soybean Inspection Tour
- U.S. Wheat Industry Hosts Japanese Food Agency Team
- CCI Plans for 1966
- American Food Fortnight Held by 3,000 Scottish Stores
- Soybean Council's Pavilion Attracts 2 Million at Izmir
- Fiscal Year 1965 Figures for P.L. 480 Show Greater Use of Title IV—Now 24 Percent of All Agreements
- Cash Wheat Sale to India

10 World Crops and Markets (Commodity index on page 16)

Orville L. Freeman, Secretary of Agriculture
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Steers kick up dust during drought 4 years ago

National Meat Board Tackles Argentine Livestock Problems

Maintaining the country's traditional export markets in the face of reduced livestock herds poses the toughest challenge in the Board's 30-year history.

By RICHARD S. WELTON
Assistant U.S. Agricultural Attaché, Buenos Aires

The Argentine beef industry, a mainstay of the national economy, is in the midst of a cyclical crisis, with production at the bottom of the cycle. How Argentina's government agencies—particularly its National Meat Board—react to the meat trade's present difficulties may have considerable impact on the country's future ability to supply the world market.

Argentina's beef crisis stems from the necessity of rebuilding herds depleted by the 1961-62 drought. The drop in beef production has precipitated a sharp rise in cattle prices, with the result that the large export packers have lost huge sums of money and were all but priced out of the market a few weeks ago. A point was reached where some packers had to suspend operations. The situation has improved, but Argentina—normally the world's leading beef exporter—is having difficulty fulfilling the strong demand for beef in Europe.

For years the National Meat Board, a practically autonomous agency of Argentina's Department of Agriculture with broad authority over the meat trade, has been responsible for developing and maintaining foreign markets for Argentina's beef. Today, responding to the deepening crisis, the Board is tightening its controls on shipments and taking measures to encourage recovery of cattle numbers.

State intervention in the meat industry dates from the crucial decline in exports following World War I. Agitation from cattlemen, then a powerful political force, led to the first laws affecting the meat trade. Introduced in 1922, these laws provided regulations for packing plants and cold storage facilities, controlled livestock and meat marketing, set floors and ceilings for meat prices, and placed sales of cattle for slaughter on a live weight basis.

However, the basic law controlling the meat industry—generally known as the Meat Law—was not enacted until 1933. It was an outgrowth of low prices during the depression and the granting of trade preferences by Great Britain to Commonwealth producers—an action looked upon as a new threat to the Argentine industry. The Meat Law established the National Meat Board as an autonomous agency of the Executive Power, with nine directors representing the government, producers, and packers.

The Board, authorized to safeguard producers' interests in both internal and foreign markets by setting up packinghouses or any other necessary institutions, established the Argentine Meat Producers Corporation (CAP), which began operations in 1935 and is now the largest meatpacking concern in Argentina. Other early Board efforts to protect producers were focused on supervision of livestock markets, dissemination of market information, and studies on a system of livestock and meat grading.

When treaties with Great Britain prior to World War II restricted beef exports to that market, the Meat Board assigned quotas to exporters and supervised shipments. In the war years, minimum prices were set for export-type steers, and the British meat trade became a government-to-government operation with the Argentine Government reimbursing packers for meat shipped.

With the institution of the Peron regime after the war,

Left, beef quarters are lowered into the hold of a freighter for shipment to markets Argentina's National Meat Board is trying to retain in face of reduced supplies and increasing demands; above, truck is used to transport cattle to market.

the Meat Board gradually lost power. The regime's government trading monopoly, the Argentine Trade Promotion Institute (IAPI), in 1946 took over the negotiation of a new 4-year contract with Great Britain and began siphoning off profits on beef exports. However, after 1950, IAPI incurred heavy losses when packers had to be subsidized to maintain exports—even at reduced levels—in view of the high cattle prices and the heavy domestic consumption spurred by retail price controls.

The Meat Board was virtually dissolved in 1950 and was replaced during the next 2 years by a series of other organizations with diminishing authority. The last of these, the National Meat Institute, took over meat trade operations from IAPI, conducting the meat export business for IAPI's account. In early 1955 the Institute set official grades and prices for all cattle.

After the overthrow of Peron, the Meat Board was reinstituted in 1956. Among its first tasks was handling packers' claims and making payments for losses incurred when price controls were in effect. Controls on retail meat prices and official prices for cattle were gradually removed, and by the end of 1958 they were eliminated.

Scope of operations expands

The Board now has 10 members chosen by the Executive Power with Senate approval. Its president is nominated by the Ministry of Agriculture, and four of its nine directors, by the government agencies having an interest in the meat trade. The remaining five represent producers in five different zones of the country.

Principal objectives are to promote livestock production, develop and maintain foreign markets for livestock and meat products, and establish the necessary standards and controls. The Board's original operations have been expanded, and it now licenses packing plants and livestock and wholesale meat markets, regulates meat grading, makes price proposals to the government, suggests policies affecting livestock and meat exports and domestic consumption, makes economic analyses of the livestock and meat situation, and develops foreign markets through trade fairs and representatives abroad. It is also empowered to promote the formation of commercial and industrial establishments for the protection of producers and encourage domestic consumption by maintaining reasonable price levels.

The Meat Board's information activities have been broadened to include a complete market news service. Market reporters record sales of livestock by grade and price at all terminal livestock markets. This, plus other information of interest to producers, is disseminated in a daily report. The Board also publishes quarterly data on exports, an annual review with detailed statistics on livestock and meat products, and a bimonthly magazine of general interest. To gage the availability of steers for export, the Board's observers draw up estimates based on inspections and talks with producers in the major fattening zones.

As the main source of income for its host of activities, the Board receives one-fourth of the proceeds of a 2.35-percent tax on all final sales for slaughter of cattle, sheep, and hogs. (The packing plant workers' fund receives 15 percent, and CAP, 60 percent. Through this tax system, all producers have a share in CAP, as well as in any other commercial enterprise the Board may establish. CAP is not, however, directly controlled by the Board; its directors are elected by the producers.) The Board also collects a 5-percent production tax on livestock sales, but this is turned over to the National Treasury.

Unlike its counterpart, the National Grain Board, the Meat Board neither buys nor sells meat directly, but it has negotiated agreements with some countries for Argentina to supply a given quantity within a fixed time period. It then attempts to see that packers meet these agreements and may specify an amount for each firm to supply. Such a contract was arranged with Spain earlier this year.

Finds export quotas necessary

The crucial situation of reduced supplies and increasing foreign and domestic demands during the past year and a half has led the Board to put quotas on exports of chilled and frozen beef by type and destination and to set minimum export prices for a wide range of meats and meat products. Quotas may be used either to allocate supplies to principal markets during periods of scarcity or to prevent market gluts during periods of abundance. The latter was the case in early 1963 when unusually heavy shipments of chilled beef resulted in the establishment of such quotas for the United Kingdom and disrupted the market in Spain

to the point of virtual shut-down for 1964.

The Board has succeeded in working out terms for reopening the Spanish market, but with the sharp reduction in slaughter since 1963, the problem now is to hold on to these traditional markets by assuring them continued exports.

To encourage recovery of cattle numbers, slaughter of young cattle and heifers for export is forbidden, and exports of live cattle for slaughter are banned to all but the countries of the Latin American Free Trade Area (LAFTA). Further, the Department of Commerce—restrict domestic consumption—has instituted "beefless days."

In the future, the Meat Board will very likely be more successful in avoiding disruption of foreign markets during periods of heavy slaughter, but assuring adequate shipments in periods of scarcity appears to be more difficult. During these periods, the Minister of Economy often makes the major policy decisions because of the importance of the meat trade to the overall economy. Industry spokesmen point out, however, that some of the policies adopted by the government during the past 18 months—attempted retail price controls, exchange controls, and higher taxes—go counter to the Meat Board's long-range goals of expanded cattle production and meat exports.

Ready European Meat Market Attracts New Zealand Exporters

Europe's domestic meat shortages, the pressure of demand resulting from higher incomes, and soaring prices have increasingly attracted New Zealand's meat exporters to markets in the United Kingdom and the European Economic Community. It was economic factors similar to these that in 1958 shifted New Zealand's meat trade from Europe to the United States making New Zealand a major U.S. supplier of beef and veal for the next several years.

Comparisons of January-July shipments for 1964 and 1965 show that New Zealand's exports of boneless beef and veal to the United Kingdom have more than doubled and shipments to the EEC have increased by 10.4 million pounds. Total beef exports were 3 million pounds more in 1965 than in the comparable period the year before.

In spite of this upsurge in exports to the eager European market there has been a drop in New Zealand's meat production. Cow numbers were relatively low in January 1965, so farmers tended to keep more cattle to build up herds. There is reportedly an abundance of feed in beef-raising areas, some of which had experienced droughts in the previous 2 years. This has allowed many farmers to hold back for breeding purposes some cattle which would otherwise have been sent to slaughter. Lower average weights, particularly among cows and lambs, have also contributed to the decline in export meat production. Ordinarily, most of the dairy calves are killed soon after birth and marketed for veal, and a number of crossbred or straight dairy cows and heifers go into slaughter. Between October 1963 and June 1964, 520,000 cows were slaughtered; last season slaughter was cut to 400,000.

Livestock prices have remained firm at unusually high levels during the past quarter, but wholesale beef prices have been on the rise. They tended downward for several months with the advent of the peak of the 1964-65 killing season, but are currently about 25 percent above those of a year ago for prime carcass beef and lamb. As a result, New Zealanders—whose meat consumption is among the highest in the world—are eating more lamb and mutton.

However, most of the shift in markets and of the lowered level of production has been felt in exports to the United States—nearly cut in half since July 1964 and substantially short of the 1963 record level.

NEW ZEALAND EXPORT MEAT PRODUCTION [1]

[Actual weight basis]

Kind	October-September			Oct. 1963-Aug. 1, 1964	Oct. 1964-July 31, 1965
	1961-62	1962-63	1963-64		
	Mil. lb.	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*
Lambs	603.5	605.0	634.7	634.5	624.6
Ewes and wethers	189.6	165.1	195.0	193.3	188.9
Beef and veal	252.5	254.9	285.7	265.5	235.4
Pork	6.0	9.2	10.4	10.7	7.9
Edible offal	47.7	53.7	58.2	56.1	58.4
Sundries [2]	24.0	24.3	28.3	26.7	29.8
Total	1,123.3	1,112.2	1,212.3	1,186.8	1,145.0

[1] Includes that portion of production at export meat slaughterhouses which is set aside for export only. [2] Includes inedible offal.
New Zealand Meat Producers Board.

Peru Permitting Duty-Free Entry of Poultry Backs and Necks

U.S. exporters of frozen poultry are virtually assured a good market for backs and necks in Peru through the first of February, as a result of the Peruvian Government's recent decision to permit duty-free imports of such items for a 4-month period. According to the Ministry of Agriculture Resolution No. 412, this duty-free status was to begin October 9.

In recent years, Peru has grown to be our sixth largest poultry meat market outside the European Economic Community. U.S. poultry meat exports expanded from 1 million pounds in 1961 to 5.9 million in 1964. Although U.S. poultry exports to Peru in 1964 accounted for only about 1 percent of total Peruvian production and about 75 percent of the trade consisted of chicken backs and necks which did not directly compete with domestic production, the increase in imports resulted in government action. In August 1964 the government increased the duty on backs and necks from about 3 cents per pound to over 8 cents per pound.

This action virtually prohibited U.S. poultry meat exports to Peru and brought a stream of protests from the United States. Recognizing that U.S. exports were largely low-priced backs and necks which were consumed by low-income families in Peru, the Peruvian Government in November 1964 entirely suspended the duty on backs and necks. The more recent announcement of a duty-free status for a definite period eliminates more of the uncertainties for U.S. exporters.

Glossary of the World's Vegetable Fibers: Leaf Fibers

Leaf, or structural, fibers are mostly hard fibers and as a class are long, coarse, harsh, and strong. Some, such as sisal, henequen, abaca, and certain istles, are most suitable for twisting into coarse twines and cordage, and are also used for floor coverings and bags. Others—piassava, some istles, and magueys—are bulky, stiff, and suitable for brushes.

Hard fibers form the veins that carry water and food within the plant and furnish support for the leaves (and leaf stems). They are usually obtained by a process of crushing the leaves and scraping away the pulpy and nonfibrous material. Most of them grow best in the tropics.

As with soft fibers, the names of some hard fibers are often confusing. The same fiber may be known by different names in different countries; i.e., mesta and kenaf. The same name may also be applied to different fibers; for example, the name "hemp" is applied to abaca, henequen, and sisal as well as to the true hemp, a soft fiber.

SISAL is the most important of the hard fibers. Its main use is in the manufacture of cables, ropes, binder and baler twines. Other uses are carpeting and upholstery padding.

A tropical plant of the Amaryllis family, sisal originated in Central America and the Yucatán Peninsula where Indians were using it when the Spaniards discovered Mexico in 1509. It was named from the old seaport town of Sisal from which most of the shipments were made after the fiber entered commerce in the early 1800's.

World sisal production in 1964 totaled 1,539 million pounds. Tanzania, with 515 million pounds, was the leading producer, followed by Brazil, with 476 million. Other African countries are also important producers. But because each country's fiber differs somewhat in quality for a specified grade, purchasers buy not only according to grade but also according to country of origin.

HENEQUEN is second to sisal as a cordage fiber. Its principal use is in binder and baler twines but it can be substituted for sisal satisfactorily in many types of cordage up to an inch in diameter. It is also softened, spun, and woven into sacking, other coarse cloth, and floor coverings.

Henequen originated in Mexico where it has been used since prehistoric times and where more than 90 percent of the world total—349 million pounds last year—is produced. Cuba is another producer. (Henequen is often erroneously called Mexican sisal or Cuban sisal.) The United States receives about 90 to 95 percent of Mexico's raw fiber exports and the same percentage of its manufactured products. Prices are normally a little below those of sisal.

ABACA, of the banana family, is one of the few hard fibers that is not native to the Western Hemisphere. Indigenous to the Philippines where more than 95 percent of it is grown, abaca is often called by the name "Manila hemp," which was given it by European traders who found it in the Manila market when they first went there in 1697.

The strongest of the cordage fibers, abaca is used for the best grades of commercial ropes and cables, and for marine cordage because of its resistance to salt water and small amount of swelling when wet. Large quantities are also made into pulp for strong, high-quality paper and such speciality items as tea bags and mimeograph mats. It is the highest priced of the cordage fibers.

ISTLE FIBERS come mainly from the Amaryllis and Lily families, and are used in bags of various kinds, other protective coverings, brushes (especially scrubbing brushes), wrapping twines, and small ropes.

The name istle (pronounced *issel*) is the anglicized word for "ixtle," the name used in Mexico where most of the world supply originates. The most important istles are lechuguilla, Jaumave, and palma.

LECHUGUILLA, the strongest and stiffest of the istles and especially suited for scrubbing brushes, grows wild on the arid mesas of northern Mexico, and in parts of southern Mexico, doing best at altitudes of 3,000 to 6,000 feet. Mexico produces 25-30 million pounds annually and exports almost 85 percent of it. Currently, it is facing competition from nylon and other manmade fibers.

JAUMAVE ISTLE also grows on the mountainsides of Mexico, is superior to lechuguilla in quality and brings a higher price. What little is produced is exported to the United States for high-quality brushes.

PALMA ISTLE is a member of the Lily family, grows in Mexico, and is longer, finer, softer, and more pliable than lechuguilla. It is used mostly in cordage and bags, but specially selected fibers are made into brushes.

MAURITIUS FIBER, or Mauritius "hemp," originated in eastern Brazil but spread to various islands off the coast of Asia and Africa. In Mauritius, where it obtained its name, it is also known as aloe fiber, and is used for sugar bags mainly. World production is small—only about 2 million to 3 million pounds annually.

There is also a miscellaneous group of leaf fibers that have many of the characteristics of stem fibers in that they are relatively pliable.

PHORMIUM, of the Lily family, was discovered by Captain Cook in the late 1700's when he visited New Zealand. The only commercial hard fiber found outside the tropics, phormium is now grown mainly in New Zealand and Argentina, where its principal use is for bags and wool packs. It has stiff competition in world markets from sisal.

The AFRICAN or GUINEA BOWSTRING is probably the best known of the sansevierias and is related to the house plant of the same name. It grows in warm climates all over the world, but its production is relatively small and its use insignificant beyond the areas of origin.

CAROA has long been known in Brazil where it grows wild on millions of acres in the hot, dry northeastern section of the country. Only a small part is harvested, however. The fiber is long and silky, white or light tan, finer than sisal or abaca, and stronger though somewhat coarser than jute. It is manufactured into cordage, nets, fish lines, and bags, and also into lightweight paper for airmail and cigarette papers. Brazil uses large quantities for coffee bags when jute prices are high.

PINEAPPLE FIBER is also indigenous to Brazil—and Paraguay too—but has spread to many parts of the world, though it is not produced in sufficient quantity for export. The same is true for banana fibers which lack the strength required for satisfactory commercial use.

This is the second in a three-part glossary of the world's vegetable fibers (other than cotton), summarized from the U.S. Department of Agriculture's 1964 Yearbook, *Farmer's World*. The original material was prepared by *Cecille M. Protzman*, Sugar and Tropical Products Division, Foreign Agricultural Service.

The Export and Promotion of U.S. Feed Grains

Foreign Agriculture here begins a series of articles which will deal with the export and promotion in overseas markets of nine of this country's principal commodities. Feed grains will be followed in successive issues by dairy products, livestock and meat, tobacco, fruit, poultry, cotton, wheat, rice, and soybeans.

Another record-breaking year of U.S. feed grain exports in fiscal 1965 brought producers of corn, grain sorghum, oats, and barley very close to a mark attained by only one or two commodity groups in the history of agricultural trade—a billion dollars worth of sales in a single year. Feed grain exports soared to $978 million, just short of full membership in the exclusive "billion dollar club."

This year, the U.S. feed grain industry is expected to more than surpass a billion dollars in exports.

Mostly dollar sales

These record feed grain exports augur well for the U.S. agricultural economy because the sales are predominantly for dollars and the products move without benefit of export payments, which are necessary to sales of some other U.S. farm products in most abundant supply.

Only about 1.5 million of the record 18.1 million ton exports of feed grains in fiscal 1965 moved under government sales programs, principally Title I of Public Law 480 which provides for sales of U.S. agricultural commodities to friendly foreign governments with payment in local currency. The 2-million-ton gain in feed grain exports in fiscal 1965 over a year earlier was entirely accounted for by greater sales in dollar markets. Biggest gains were registered in Western Europe and Japan. Sales to Italy were up 78 percent; West Germany, 63 percent; the Netherlands, 15 percent; and Japan, 25 percent. These four countries accounted for well over half of total U.S. feed grain exports.

Percentage of output exported

U.S. exports of feed grains during 1964-65 represented 15.2 percent of the 1964 corn crop, 24.5 percent of the grain sorghum crop, and 14.3 percent of the barley crop. Oat exports were less than 1 percent of production.

Grain marketing specialists point to two factors behind the fantastic growth of feed grain exports in recent years—the booming prosperity of Western Europe and Japan and vigorous sales promotion in these growing markets.

The connection between prosperity and feed grain exports was explained recently by USDA Under Secretary John A. Schnittker. "Economic growth gives foreign consumers the income to buy a better diet. This is translated into a direct demand for meat, milk, poultry, and eggs. This stimulates an expansion of herds and flocks. Bigger herds and flocks require more grain—and the market expands for both home-grown and imported feeds."

A look at the recent history of U.S. feed grain exports bears out the close relationship between foreign sales and growing prosperity abroad.

1964-65 export record

Back in fiscal year 1956-57, the total value of U.S. feed grain exports was $367 million—about one-thirteenth of total agricultural exports. Since then the nations of Western Europe and Japan have experienced an economic boom. In fiscal 1964-65 U.S. feed grain exports reached a record $978 million—about one-sixth of total U.S. agricultural exports.

Growing prosperity does not fully account for the feed grains export success story. Export market development has also been a major factor. This is reflected both in dollar sale export figures and in the U.S. share of total world grain trade.

In the 1959 fiscal year, just before market development, U.S. feed grain dollar exports stood at about $560 million (10.9 million tons)—about 78 percent of total feed grain exports. In fiscal 1965, after six years of market promotion, dollar sales of feed grains abroad reached about $880 million—just above 90 percent of total exports.

Market development is also credited as an important factor in raising the U.S. share of world feed grain exports from one-third a relatively few years ago to more than half today.

U.S. Feed Grains Council

Export market development for U.S. feed grains is carried out by the U.S. Feed Grains Council—in cooperation with USDA—from offices in Rome, Rotterdam, London, Madrid, Hamburg, Athens, Bogotá, and Tokyo.

Time-tested techniques of market development are being employed: Feeding trials and demonstrations, technical assistance on feed and feeding including translations and dissemination of printed material, market surveys and other market assistance, portable feeding exhibits, promotions at trade fairs and trade centers, exchanges of industry and government officials, sponsoring of seminars, and in a number of selected countries direct consumer promotion of livestock products.

Since Western Europe is the best market for U.S. feed grains, much of the USFGC/FAS promotion effort has been concentrated there.

The Italian market

Considerable attention has been given to the Italian market. Since 1959, intensive promotion has been carried out through feeding trials, demonstrations, and portable feeding exhibits. Also, the USFGC has been working closely with the Italian grain and feed trade and with organizations of livestock producers to convince them of the quality and dependability of U.S. corn, barley, and other feed grains.

Thus, when Italy took import quotas off feed grains in 1962 the preliminary work had been done for large-scale imports of U.S. feed grains. In the 1962-63 fiscal year U.S. feed grain sales to Italy jumped to over one million tons—five times more than just two years earlier. Now, exports have doubled again. In fiscal 1964-65, dollar sales of U.S. feed grains in this market were just short of two million tons. Today, Italy is the fourth best world customer for U.S. feed grains and marketing experts feel that this market will become even larger as the Italian economy expands and con-

sumption of livestock products, particularly beef, continues to maintain its upward trend.

Japan a top market

The story in Japan is similar. Promotion began there late in 1959. In the preceding year, U.S. exports were 738,000 metric tons. In fiscal 1964-65, Japanese imports of U.S. feed grains spurted to 3.1 million tons, up from 2.5 million tons the year before and 1.4 million tons in 1962-63.

Other big and growing markets for U.S. feed grains include Belgium-Luxembourg, the Netherlands, West Germany, and the United Kingdom.

The future prospects for continued expansion in world trade in feed grains appear favorable if access to EEC and other European feed grain markets can be maintained. The United States is hopeful that this can be achieved in the Kennedy Round GATT negotiations. Expanding industrial development in Western Europe and Japan with the consequent increase in consumer purchasing power is expected to further elevate the demand for livestock products. Expanded imports of feed grains to support the livestock expansion in most of these areas will result if trade is allowed to flow freely.

Competition for grain markets

Other countries, too, have their eyes on these expanding markets.

Corn production and exports have risen rapidly in the Republic of South Africa in recent years, but currently due to drought conditions, the quantity available for export is in short supply. This year's crop in Argentina is about at last year's level, thus little increase in exports is expected. Thailand's corn production continues to increase and exports are expected to be above last year's level. Mexico and Brazil are expected to be in the corn export market this year.

Grain sorghum acreage has been expanded in Argentina and Mexico, and Argentina was active in the grain sorghum export market last year.

U.S. feed grain exports during fiscal 1966 are expected to exceed the record achieved in the last fiscal year. Sales during the first 3 months of this fiscal year are well above those of the comparable period in 1965.

Japanese Oil Processors Here For Soybean Inspection Tour

A group of executives representing Japan's major producers of soybean oil and the editor of a Tokyo newspaper began a 15-day U.S. tour last week—the first for top-level Japanese oil manufacturers.

Representing processors who spend about $125 million for 50 million bushels of U.S. soybeans annually, the team is visiting major soybean-producing areas, processing plants, and oil refineries. The itinerary further includes a trip to New Orleans to view soybean export elevators and talk with inspectors and loaders.

Also scheduled are conferences with members of the Chicago Board of Trade and with major exporters in New York and Chicago. In Washington the visitors will attend an FAS seminar on the grade and quality of U.S. soybeans, the provision of a continuous supply to the Japanese market, and the U.S. price support program.

Soybean Council's Pavilion Attracts 2 Million at Izmir

The Soybean Council of America's display on the production and use of U.S. soybeans attracted an estimated 2 million people recently at Turkey's month-long International Trade Fair in Izmir. SBC's director for Turkey said, "This was the most successful exhibit we have had so far."

Visitors to the U.S. soybean pavilion were offered potato chips fried in soybean oil, soybean sausages, and margarine. Display material showed the production and processing of soybeans, the importance of fats and oils in the human diet, and increasing world consumption of soybean oil.

Turkey's imports of U.S. soybean oil under Title I of P.L. 480 reached 52,200 metric tons in the 1963-64 marketing year (Nov. 1 to Oct. 31), compared with 35,000 tons 2 years earlier. With the advent of good olive and sunflower crops in 1964-65 imports declined to 22,000 tons. However 4,000 tons of this were on a cash basis, Turkey's first dollar purchase of U.S. soybean oil.

U.S. Wheat Industry Hosts Japanese Food Agency Team

Six officials of Japan's Food Agency, all with key roles in wheat import policy, arrived in the United States last week for a 25-day tour.

At the invitation of Wheat Associates and FAS, the team will visit the Pacific Northwest, Hard Red Spring and Hard Red Winter wheat areas, Washington, D.C., and New York and will confer with wheat producers, exporters, and industry and government officials.

Australia and Canada, which also supply wheat to Japan, are likewise using the team-visit technique. A four-man Food Agency team plans to visit Australia in November and six representatives of Japan's flour industry were in Canada in August at the invitation of the Canadian Wheat Board.

American Food Fortnight Held By 3,000 Scottish Stores

Scottish housewives reacted favorably to the introduction of nine American food products—and a number of old favorites also moved well—at a 2-week in-store promotion in Scotland in late August.

Third in-store promotion organized in the United Kingdom this year by FAS, the American food fortnight was carried on in some 3,250 shops affiliated with the Scottish Co-Operative Wholesale Society. In 24 of the larger stores demonstrators prepared and offered foods for sampling and recipes to shoppers. The U.S. Agricultural Attaché office in London supplied all stores with display material and carrier bags bearing the slogan "Enjoy American Foods."

With the help of widespread news and advertising coverage, sales of the new lines—a variety of canned fruits and juices, a new brand of rice, and a cream topping—hit $100,000 during the period. An SCWS official said, "We are looking forward to the maintenance of the progress made."

CCI Plans for 1966

Garment manufacturers in nine European countries will produce and promote cotton men's styles for sale next spring and summer, according to Cotton Council International. Manufacturers in two other countries are also expected to join.

CCI's idea collection of styles for next year was previewed in August.

FY 1965 Figures for P.L. 480 Show Greater Use Of Title IV—Now 24 Percent of All Agreements

Substantial progress has been made in the U.S. Department of Agriculture's efforts to expand or maintain dollar exports of U.S. agricultural commodities through financing the export of such commodities under the long-term supply, dollar credit terms authorized by Title IV, P.L. 480.

The first Title IV agreements with governments of friendly nations were signed in fiscal 1962. The total export market value of commodities plus applicable ocean transportation costs of agreements signed in 1962 was $56.7 million. In 1963, the figure rose to $87.2 million, in 1964 to $118.1 million, and 1965, to $209.6 million.

The export market value of the commodities (and applicable ocean transportation costs) which were actually exported under these agreements are as follows: fiscal 1962, $19.4 million; 1963, $60 million; 1964 $47.7 million; and 1965 $172.8 million.

Progress in shifting the basis for P.L. 480 exports of surplus U.S. agricultural commodities from Title I foreign currency sales, or donations under Titles II and III of P.L. 480, to long-term dollar credit sales under Title IV was accelerated in fiscal year 1965. The Title IV sales authority has been used increasingly to effect this transition in countries whose economic development has strengthened, but still does not permit them to undertake cash or short-term dollar payment for all of their essential food and other agricultural commodity import requirements.

Out of the total of $210 million in market value (including applicable ocean transportation) of Title IV agreements signed in 1965, $200 million represents either a complete shift-over from Title I to Title IV, or a phaseout from Title I only to a combination use of Title I and Title IV.

Title IV agreements signed each fiscal year since 1962 as a percentage of the combined value of Title I and Title IV agreements increased from 3.5 percent in 1962, the first year of Title IV operations, to nearly 24 percent in 1965.

The private trade provisions of Title IV, P.L. 480 were implemented in the first quarter of 1964 by the issuance of rules and regulations governing agricultural commodity credit sales agreements between Commodity Credit Corporation and U.S. and foreign private trade entities (28 F.R. 7285). The purpose of such agreements is to stimulate and increase the sales of surplus agricultural commodities by making long-term supply and credit available to private traders, as well as to government purchasers as in the past.

In 1965, two agreements were entered into for the financing of $3.8 million of wheat for export to Iran; $3 million is repayable to CCC in 14 annual installments with interest at 4⅛ percent and $0.8 million in 6 installments with 4 percent interest.

This increased use in Title IV was also reflected in the number of agreements signed and the number of countries involved in 1962-65.

In 1962, 7 Title IV agreements were signed with 6 countries; in 1963, 8 agreements with 8 countries; in 1964, 6 agreements with 5 countries; and in 1965, 14 agreements with 11 countries.

P.L. 480, TITLE IV, AGREEMENTS SIGNED DURING 1962-65

Commodity	Unit	Approximate quantity	Export value	Estimated CCC cost
		Thousands	*Mil. dol.*	*Mil. dol.*
Wheat, wheat flour, bulgur wheat	Metric ton	2,856	191.1	253.2
Feed grains and products	Metric ton	664	36.4	36.6
Rice	Metric ton	242	34.1	50.0
Cotton	Bale	605	78.5	144.1
Oilseeds and vegetable oils	Lb.	552,609	40.8	40.8
Dairy products	Lb.	16,810	3.3	5.7
Tobacco and tobacco products	Lb.	21,164	20.6	20.6
Tallow	Lb.	136,685	12.0	12.0
Other commodities	—	—	10.0	11.0
Total	—	—	427.0	574.0
Ocean transportation	—	—	44.7	46.1
Grand total	—	—	471.7	620.1

P.L. 480, TITLES I AND IV, AGREEMENTS, FISCAL YEARS 1962-65[1]

Year	Title I	Title IV	Total Titles I & IV	Percent of total	
				Title I	Title IV
	Mil. dol.[2]	*Mil. dol.*[2]	*Mil. dol.*[2]	*Percent*	*Percent*
1962	1,590.3	57.1	1,647.4	96.5	3.5
1963	1,227.0	88.6	1,315.6	93.3	6.7
1964	617.7	118.3	736.0	83.9	16.1
1965	673.7	209.7	883.4	76.3	23.7
Total	4,108.7	473.7	4,582.4	89.7	10.3

[1] In some instances, Title I and Title IV agreements provide for multiyear programing. Total commitments shown for each fiscal year do not necessarily correspond with actual shipments during the same period. [2] Includes applicable ocean transportation costs financed for account of recipient government.

Cash Wheat Sale to India

The Indian Government recently authorized the cash purchase of 100,000 tons of U.S. Western White wheat under the Commodity Credit Corporation Export Credit Sales Program.

Scheduled to move this month, the wheat represents India's first purchase of any products under this program and its first purchase of U.S. wheat for dollars since the 1962-63 crop year.

India buys large quantities of U.S. wheat for local currency under Title I of Public Law 480, but its commercial purchases until now have been almost entirely from other suppliers, chiefly from Australia.

Argentina Expects Another Large Wheat Crop

All indications point to a third consecutive bumper wheat crop in Argentina for 1965-66. Most producing regions report growing conditions equal to last year, although some drought effect has been noted in the western Pampas and the northern fringe of the wheat belt. Seeded area is officially estimated to be 7 percent below that of 1964-65, and output has been forecast at about 8 million tons. However, some private estimates are higher. This output would be 20 percent lower than last year's crop but about equal to 1963-64's.

Peru Issues Import Tender for Rice

Peru just recently issued an import tender for 70,000 metric tons of rice; bids were to close today. Imports under this tender will bring total purchases thus far in fiscal 1966 to 120,000 metric tons, or double the 52,000 imported in all of fiscal 1965.

Earlier tenders, issued in August and July, are being filled by the United States (10,000 metric tons) and Brazil (40,000). Reason for the big import gain is a drop in Peru's production of rice, coupled with an increase in domestic consumption.

U.K. Importing Less Lard

Imports of lard into the United Kingdom during the first 7 months of 1965 totaled 292 million pounds, down 20 percent from the same period last year.

The pattern of trade has also shifted radically in 1965. Last year the United States supplied about 90 percent of the U.K. import requirements. However, with prices in the United States higher than a year ago and supplies reduced, U.K. buying has shifted to Western Europe. Pork production on the continent has reached record levels, and lard supplies are abundant.

While the U.S. share of the market has dropped to just over 60 percent, imports from Belgium have increased ninefold, and those from the Netherlands, fourfold. Imports have also come from Italy, Poland, and Switzerland compared with none last year from these countries.

U.K. LARD IMPORTS

Country of origin	January - July			
	1964		1965	
	Quantity	Percent of total	Quantity	Percent of total
	1,000 pounds	*Percent*	*1,000 pounds*	*Percent*
United States	334,968	91.4	179,731	61.5
Belgium	6,520	1.8	58,594	20.1
Denmark	6,364	1.7	14,219	4.9
France	7,388	2.1	12,970	4.4
Italy	---	---	9,783	3.4
Netherlands	1,500	.4	6,441	2.2
Sweden	2,250	.6	4,144	1.4
Germany, West	6,990	1.9	2,752	.9
Poland	---	---	1,480	.5
Norway	137	---	666	.2
Switzerland	---	---	587	.2
Others	466	.1	820	.3
Total	366,583	100.0	292,187	100.0

Henry A. Lane & Co., Ltd., London.

Smaller Greek Dried Fig Pack

The 1965 Greek dried fig pack has been tentatively estimated at 22,000 short tons—down 3,300 tons from the previous year and 7,400 below the 1959-63 average. More than half of the crop (12,100 tons) is believed to be comprised of edible dried figs, of which approximately 90 percent are suitable for export. Quality, particularly with respect to size, is considered slightly below average, partly because of unusually heavy rains and low temperatures. However, endosepsis and insect damage are said to be negligible this season.

Exports in the 1965-66 marketing year are forecast to reach only 11,000 tons, or roughly 25 percent below the previous year. The low level of exports is expected primarily because of the severe damage to the 1965 crop. Reportedly, exports of whole figs to the United States may not even reach 1,600 tons, and those of fig paste may not exceed 700 tons. This compares with 1964-65, when they were 2100 and 778 tons respectively. In 1964-65 West Germany was the biggest market for Greek dried figs, followed by the United States, the Soviet Union, Hungary, and France. Together these five countries accounted for over 65 percent of total exports during the 1964-65 marketing year.

GREEK SUPPLY AND DISTRIBUTION OF DRIED FIGS

Item	Revised 1964-65	Preliminary 1965-66
	Short tons	*Short tons*
Supply:		
Beginning stocks (Sept. 1)	---	---
Production	25,300	22,000
Total supply	25,300	22,000
Distribution:		
Exports	14,600	11,000
Domestic disappearance	10,700	11,000
Ending stocks (Aug. 31)	---	---
Total distribution	25,300	22,000

Minimum prices paid to growers for the 1965 crop were set substantially higher than those for the previous crop. The grade A price was set at 7.6 cents per pound—up 1.4 cents from 1964. Grade B increased 1.2 cents to 6.6, while grade C increased 1.3 cents to 6.3 cents.

The fig growers' co-op organization (SYKIKI) has increased prices of 1966 figs sold to exporters by 0.6 cents per pound over the 1964 level for all three grades. The grade A price has been set at 6.5 cents per pound, grade B at 5.6, and grade C at 5.2. Since the prices of figs sold for export are below the equivalent minimum price to growers, the government has allocated more than $365,000 to cover the difference and will continue to subsidize exports in much the same way as in the past.

Opening f.o.b. fig export prices, which were between $209-$211 per short ton as compared with $188-$191 during 1964-65, are expected to remain firm because of the short pack.

Prices for shipments to the United States have been quoted between 16 and 17 cents per pound c.&f. New York. Earlier in the season these prices were between 15.0 and 15.5 cents per pound, and export prices in 1964-65

ranged from 13.0 to 13.5 cents.

Fig paste prices c.&f. New York, thus far quoted at 11.25 cents per pound as opposed to the 1964-65 average of 10.0 cents, may also remain at high levels for the entire 1965 crop.

Besides price increases, the general costs of processing, labor, and transportation have also risen.

Fumigation costs rose from $7.00 per ton in 1964 to $7.60 in 1965. Although the total refumigation cost went from $4.60 to $4.80 because of an increase in transportation costs, the actual refumigation cost remained the same, at $3.40 per ton.

GREECE'S EXPORTS OF DRIED FIGS

Country of destination	1963-64	1964-1965
	Short tons	*Short tons*
European Economic Community:		
Germany, West	3,120	3,501
France	843	1,175
Italy	208	281
Netherlands	26	66
Total EEC	4,197	5,023
Soviet Bloc:		
USSR	1,433	1,433
Hungary	1,552	1,337
Czechoslovakia	208	600
Poland	508	289
Germany, East	110	264
Rumania	---	172
Total Soviet Bloc	3,811	4,095
Other countries:		
United States:		
Whole figs	2,027	2,100
Fig paste	606	778
Brazil	971	1,005
Canada	269	308
Switzerland	326	285
Sudan	117	180
Austria	1,150	176
Denmark	88	94
United Kingdom	195	75
Malta	56	73
Egypt	1,818	---
Yugoslavia	---	---
Not specified	433	429
Total other countries	8,056	5,503
Grand total	16,064	14,621

Short French Walnut Crop

Walnut production in the Bordeaux area (usually about three-quarters of the French crop) is estimated at about 8,500 short tons, much below average and the 1964 Bordeaux crop of 24,800 tons. The carryover on October 1 was, as usual, negligible.

Because of the short crop, French imports are expected to surpass the 500 tons or less that France normally imports. Interest in U.S. walnuts has been expressed if they are priced right.

French Dried Prune Pack Short

For the third successive year, unfavorable weather in France has sharply reduced a potentially large prune crop. The 1965 dried prune pack is tentatively estimated at 7,700 short tons, compared with 8,300 (revised) in 1964 and the 5-year average (1959-63) of 8,600. The crop suffered from a sequence of adversities all season long—cold weather during blossoming in the spring was followed by low temperatures, below-normal sunshine, and excessive rain during the summer. In addition, oidium (powdery mildew) reduced quality and yield.

FRANCE'S SUPPLY AND DISTRIBUTION OF DRIED PRUNES

Item	1963-64	1964-65	Forecast 1965-66
	Short tons	*Short tons*	*Short tons*
Supply:			
Beginning stocks (August 1)	3,200	1,300	500
Production	8,300	8,300	7,700
Imports	3,500	5,600	7,700
Total supply	15,000	15,200	15,900
Distribution:			
Exports	1,000	300	300
Domestic disappearance	12,700	14,400	14,300
Ending stocks (July 31)	1,300	500	1,300
Total distribution	15,000	15,200	15,900

The French trade believes the quality of the pack will range from fair to good and that a large proportion will be of the smaller sizes.

Since carry over stocks are also smaller and since the French trade hopes to approximate the 1964-65 levels of domestic and export sales, imports would have to be about 2,000 tons heavier this season than last. In view of the French consumers' preference for larger sizes and the predominance of small sizes in the domestic pack, imports are again expected to come mainly from the United States. In 1964-65, according to official French import data, imports of U.S. dried prunes amounted to 5,424 tons, or 96.0 percent of all dried prune purchases. In 1963-64, the 3,341 tons from the United States represented 95.4 percent of the total. Imports from Yugoslavia, the only other supplier of any significance, are unlikely to increase this season because the 1965-66 Yugoslav supply is reportedly down. French imports and exports of dried prunes for 1963-64 and 1964-65 follow:

	1963-64	1964-65
IMPORTS	*Short tons*	*Short tons*
United States	3,341	5,424
Yugoslavia	101	179
Portugal	17	40
Turkey	40	2
Others	2	2
Total	3,501	5,647
EXPORTS		
Netherlands	168	111
Belgium-Lux.	--	47
Algeria	331	44
Martinique	57	19
Guadeloupe	--	19
W. Germany	339	8
Others	99	20
Total	994	268

Portuguese Dried Fig Estimate

The 1965 commercial dried fig pack in the Algarve Province of Portugal is estimated at 10,000 short tons—down slightly from the 10,500-ton 1964 pack and 7 percent below the 1959-63 average of 11,300. However, total supplies for the 1965-66 marketing season are almost the same as a year earlier because of slightly larger beginning stocks (400 tons on September 1, 1965, as compared with 100 the year before). The main difference lies in the lower quality of the 1965 crop, which indicates a higher industrial use and, therefore, somewhat lower exports of edible figs and paste.

Exports of edible figs during September 1964-July 1965 totaled 1,408 tons whole and 4,802 tons paste. Paste ex-

ports for the entire 1964-65 season are estimated at 5,100 tons—down substantially from the 6,064 shipped in 1963-64. The United States usually takes about 90 percent of Portugal's fig paste exports but less than 5 percent of its whole edible figs.

Iranian Date, Raisin, and Dried Apricot Prospects

The latest forecasts from Iran indicate that while raisin and dried apricot production may increase, the date pack might remain unchanged compared with 1964.

The 1965 Iranian raisin pack has been tentatively forecast at 65,000 short tons, up 25,000 from the short 1964 pack but equal to the 1963 figure. Contrary to the previous year's poor growing conditions, most grape-producing areas of Iran experienced favorable weather in 1965 and a subsequent increase in production.

Exports of the current pack may reach 45,000 tons or almost twice as much as in 1964-65, but slightly below the 1963-64 level of 45,500.

IRAN'S SUPPLY AND DISTRIBUTION OF RAISINS

Item	Revised 1963-64	Preliminary 1964-65	Forecast 1965-66
	1,000 short tons	*1,000 short tons*	*1,000 short tons*
Supply:			
Beginning stocks (Sept. 23)	1.0	1.0	1.0
Production	65.0	40.0	65.0
Total supply	66.0	41.0	66.0
Distribution:			
Exports	45.5	25.0	45.0
Domestic disappearance	19.5	15.0	20.0
Ending stocks (Sept. 22)	1.0	1.0	1.0
Total distribution	66.0	41.0	66.0

The forecast for Iranian dried apricot production is roughly 8,800 short tons, well below the bumper 14,800-ton pack produced in 1962 but 1,100 tons above 1964. Favorable growing conditions in the Meshed, Shahrud, and Maragheh areas are largely responsible for the increased production.

Exports of the 1965 pack are expected to increase 1,100 tons over the previous marketing year and total 7,700 tons but will be substantially less than 1962 marketing year exports of 11,600.

IRAN'S SUPPLY AND DISTRIBUTION OF DRIED APRICOTS

Item	Revised 1963-64	Preliminary 1964-65	Forecast 1965-66
	Short tons	*Short tons*	*Short tons*
Supply:			
Beginning stocks (Sept. 23)	500	500	500
Production	4,400	7,700	8,800
Total supply	4,900	8,200	9,300
Distribution:			
Exports	2,400	6,600	7,700
Domestic disappearance	2,000	1,100	1,100
Ending stocks (Sept. 22)	500	500	500
Total distribution	4,900	8,200	9,300

The date pack is forecast at 315,000 short tons, or the same as in 1964 but approximately 12 percent below 1963 production. Reportedly, production in the Khuzestan Province, where the export-quality dates are grown, may be less than in 1964 but of superior quality.

Date exports from Iran in 1965-66 are forecast at 28,000 tons, which would equal the previous year's level. If the present forecast materializes, it would mark the second consecutive year that exports exceeded those of 1963-64, when the pack was 45,000 tons larger.

IRAN'S SUPPLY AND DISTRIBUTION OF DATES

Item	Revised 1963-64	Preliminary 1964-65	Forecast 1965-66
	1,000 short tons	*1,000 short tons*	*1,000 short tons*
Supply:			
Beginning stocks (Sept. 23)	18.0	33.0	22.0
Production	360.0	315.0	315.0
Total supply	378.0	348.0	337.0
Distribution:			
Exports	23.5	28.0	28.0
Domestic disappearance	321.5	298.0	287.0
Ending stocks (Sept. 22)	33.0	22.0	22.0
Total distribution	378.0	348.0	337.0

South African Canned Fruit Pack Revised

The estimate of South Africa's 1965 canned deciduous fruit pack has been revised upward and is now placed at 6.9 million cases (24/2½ basis) as opposed to 5.8 million in 1964. According to the latest estimates, the peach pack will total 4,285,000 cases (up 836,000 from 1964); apricots, 1,082,000 (up 398,000); and fruit salad, including cocktail, 550,000 (up 207,000). Pears, at 942,000 cases, were down 376,000 cases, because of hail damage.

Canned deciduous fruit exports for the 6 months, November 1, 1964-April 30, 1965, were 2,112,000 cases, or approximately 140,000 cases below those in the same period a year earlier. Peach exports for the first 6 months of the November 1 1964-October 31, 1965, marketing year were 1,303,000 cases, or 170,000 cases below the previous same period, while apricots, at 370,000 cases, were 50,000 higher. Exports of pears and fruit salad 323,000 and 116,000 cases, respectively, were each 10,000 cases below the previous year. Some sources feel that since April the export sales rate has increased and that most of the canned fruit available for export may be disposed of by the end of the marketing year.

The 1965 canned pineapple pack has been forecast at 1,500,000 cases, down 313,000 from the 1964 production. Exports of the present pack between November 1, 1964, and April 30, 1965, have totaled 613,000 cases, as opposed to 704,000 a year earlier. South Africa exported roughly 97 percent of its canned pineapple pack during the 1963-64 marketing year.

SOUTH AFRICA'S CANNED FRUIT PRODUCTION AND EXPORTS

Kind	Production [1]		Exports		
	1963-64	1964-65	November - April 1963-64 [1]	November - April 1963-64	November - April 1964-65
	1,000 cases [2]	*1,000 cases* [2]	*1,000 cases* [2]	*1,000 cases* [2]	*1,000 cases* [2]
Apricots	684	1,082	608	320	370
Peaches	3,449	4,285	3,191	1,473	1,303
Pears	1,318	942	961	333	323
Fruit salad [3]	343	550	294	126	116
Pineapple	1,813	1,500	1,752	704	613

[1] Marketing year November 1-October 31. [2] 24/2½ cases. [3] Includes fruit cocktail.

Philippine Exports of Copra and Coconut Oil

Registered exports of copra and coconut oil from the Philippine Republic during the first 8 months, on an oil-equivalent basis, have been revised to total 442,710 long

tons (*Foreign Agriculture*, October 4). This was 1 percent or 4,552 tons, above the 438,158 tons exported in January-August 1964.

Exports of copra to the United States should read 166,126 tons; those to Europe, 282,481; those to Japan 16,700; and the revised total, 473,807. Exports of coconut oil to Europe should now read 33,062; those to the United States, 106,412; and the revised total, 139,474.

India's Castorbean Production

The final official estimates of India's 1964-65 castorbean production is 111,220 short tons from 1,111,000 acres compared with the revised 1963-64 estimates of 112,876 tons from 1,180,000 acres. The decline in acreage from a year earlier resulted from unfavorable weather, largely inadequate rain.

Czechoslovakia's Rapeseed Output Increases

The 1965 rapeseed crop in Czechoslovakia is officially estimated at about 68,300 short tons—17,600 tons above last year's 50,700 tons and significantly above the 1955-59 average. This rise, one-third above last year's revised estimate, reflects a substantial increase in yields due to favorable temperatures and adequate moisture. Harvested acreage this year was 8 percent below that in 1964. It is presumed that harvesting (largely in June and July) was completed before the onset of floods, which reportedly caused above-average field losses to some grain crops.

CZECHOSLOVAKIA: RAPESEED ACREAGE, YIELD AND PRODUCTION

Year	Acreage	Yields	Production
	1,000 acres	*Pound per acre*	*1,000 short tons*
Average 1955-59	92.5	1,196	55.3
1960	96.4	1,249	60.2
1961	135.9	1,363	92.6
1962	84.0	1,260	52.9
1963	111.2	832	46.3
1964 [1]	118.1	859	50.7
1965 [2]	108.7	1,257	68.3

[1] Revised. [2] Preliminary.
Compiled from official and other sources.

Nigeria's Purchases of Palm Products

The Regional Marketing Boards of the Federation of Nigeria, as of August 26, had purchased 298,528 long tons of palm kernels and 138,003 of palm oil (all grades). Purchases of palm kernels and palm oil through August 27, 1964, totaled 288,757 and 122,775 tons, respectively.

The Netherlands Output of Flax Down

Flax fiber production in the Netherlands in 1965 is estimated at 22,300 metric tons, or nearly one-third below the 1964 outturn of 32,280 tons. The lower forecast for 1965 is due principally to a reduction of 29 percent in the area sown—from 75,740 acres to 53,730 acres. The major reasons for the reduced acreage in flax are better financial returns to farmers for wheat and barley, significantly reduced prices for flax during the last quarter of 1964 owing to a near-record production, and the normal crop-rotation scheme.

The government area subsidy for 1965 of F200 per hectare (US$22.50 per acre) is given only for that part which is needed for local consumption. Consequently, the reduced production in 1965 might lead to reduced exports, but probably will have little effect on local consumption of flax.

Exports of flax (scutched, combed, and waste) in 1964 totaled 14,798 tons, with Belgium, West Germany, and the United Kingdom the principal destinations, while shipments to the United States totaled 488 tons valued at F662,000 (US$183,947). Imports in 1964, mainly from Belgium, totaled 7,153 tons.

Tung Oil Shipments from Buenos Aires

Shipments of tung oil from Buenos Aires in August, the first month of the 1965-66 crop year, amounted to 227 tons—significantly below those of a year ago yet above the small volume shipped in July. About half of the total moved to the United States.

The price for South American tung oil, basis Europe, on September 17 was quoted nominally at £167 per long ton (20.875 U.S. cents per lb.). This indicates a decline of about 7 percent from that quoted in mid-August. The drop in tung oil prices reflects increased shipments of oil from Mainland China.

TUNG OIL SHIPMENTS FROM BUENOS AIRES [1]

Origin and destination	August-July		July	August	
	1963-64	1964-65 [2]	1965 [2]	1964	1965 [2]
	Short tons	*Short tons*	*Short tons*	*Short tons*	*Short tons*
Argentina:					
To United States	6,069	10,234	--	220	--
To other countries [3]	14,861	7,549	12	200	122
Total	20,930	17,783	12	420	122
Paraguay:					
To United States	5,397	2,787	--	--	105
To other countries [3]	2,261	1,190	15	7	--
Total	7,658	3,977	15	7	105
Total:					
To United States	11,466	13,021	--	220	105
To other countries [3]	17,122	8,739	27	207	122
Grand total	28,588	21,760	27	427	227

[1] Presumed to represent virtually all of the tung oil exported from Argentina and Paraguay. [2] Preliminary. [3] Largely to West European Countries.
Compiled from shipments data, Boletín Marítimo, Buenos Aires.

French Flax Crop Down in 1965-66

The preliminary 1965-66 crop estimate for French production of flax fiber including spinnable tow, is 67,096 metric tons, or 23 percent less than the revised 1964-65 output of 86,765 tons. Acreage planted to flax in 1965 declined because of lower prices and large stocks. With the decrease in production this year, carryover stocks on July 14, 1966, are expected to be at more normal levels of around 16,800 tons.

Exports of flax straw and fiber in July-June 1964-65 were 28 percent higher than those of a year earlier, with Belgium still the principal market. Belgian scutchers presently are allocated approximately 20 percent of the flax straw produced in France. Total fiber and tow exports (excluding raw or retted straw) in 1964-65 were 52,046 tons, or 36 percent larger than corresponding 1963-64 exports of 38,257. Besides Belgium, other important markets included Italy, the United Kingdom, West Germany, Switzerland, and the United States. (The United States took 1,054 tons valued at $398,000.)

Producers and spinners of the European flax industry joined the International Flax Confederation to bring flax production and demand into a better balance. Under the Naples agreement signed in 1960, the West European flax industry limits purchases of flax from the Eastern Bloc—the restriction currently being 10 percent of requirements. At the same time, producers endeavor to hold flax plantings in line with industry demand.

Japan-Mainland China Agree on Soybean Prices

Japanese importers and Communist Chinese exporters have reached an agreement on the price to be paid for November-December shipments of soybeans to Japan under the Liao-Takasaki (L-T) arrangement.

The quantity involved is 55,000 metric tons (2.0 mil. bu.) out of a total for calendar 1965 of 280,00 tons (10.3 mil. bu.) under the L-T arrangement. The price agreed upon is £36.2.0 (US$107.58) per ton c.i.f., Japan.

The price agreed upon for the August-September shipment of 35,000 tons was £42.0.0 (U.S.$124.10) c.i.f. Japan.

The L-T target for calendar 1966 is 280,000 tons, the same as for 1965. The general consensus of the trade is that an additional 120,000 tons will be imported under the "friendly firms" arrangement, thus bringing the total for 1966 to 400,000 tons (14.7 mil. bu.). Imports in 1965 are estimated at 365,000 tons (13.4 mil. bu.).

Portuguese Olive Oil Exports

Exports of olive oil from Portugal during the first half of 1965 totaled 4,449 short tons against 4,706 tons in the like period of 1964. In the 1965 period, exports of edible olive oil accounted for 3,329 tons compared with 3,685 tons in the 1964 period. The decline reflects reduced availabilities of oil from the 1964-65 outturn.

Mediterranean Olive Oil Outturn To Rise in 1965-66

Aggregate production of pressed olive oil in the Mediterranean Basin countries from olives to be harvested this season is forecast at roughly 1.3 million short tons—a less-than-normal "on year" outturn, about one-sixth above the low outturn of last year but 5 percent below the 1961-62—1964-65 average. This forecast is based on preliminary data from both official and trade sources.

Aggregate consumption of edible olive oil in 1964-65 substantially exceeded aggregate output. The result is a marked decline in estimated stocks on November 1, 1965, from a year earlier. With these reduced supplies, net exports of olive oil from major producing countries, which decreased rather sharply in 1964-65, could in 1965-66 result in a further decline of stocks. The final results will, of course, depend heavily upon availabilities from the actual forthcoming 1965-66 outturn.

In Spain dry weather and unusually high temperatures have reduced the prospect for this year's harvest. However, the Spanish olive oil syndicate estimates that production will be substantially above the small outturn of last year. Semiofficial sources forecast a significant increase in the Italian outturn despite a rather cold wet spring which delayed foliation, followed by a drought in late June and July. It now appears that production in Italy, as in 1964-65, will exceed that in Spain, the traditional leading producer.

A preliminary official forecast indicates Greek production will gain markedly from a year ago, possibly approaching the high volume of 1963-64. This increase reflects normal "on-year" production influenced by favorable growing conditions and reduced dacus fly infestations. Portuguese olive oil production, based on the official July crop report on olive fruit yields, will increase sharply despite a rather heavy fruit fall owing to prolonged drought and below average soil moisture. Dacus fly and olive moth attacks are reported as not severe.

In Turkey, Tunisia, and most minor producing countries production is expected to decline in 1965-66. These declines largely represent normal reductions from tree exhaustion, following relatively high outturns for these countries in 1964-65. The Turkish olive crop will, according to a preliminary official estimate yield about one-third less than last year. In Tunisia, according to trade sources, this year's output has been adversely affected by unfavorable growing conditions. Trade estimates indicate that production will decline by more than one-third from the 1964-65 output.

PRODUCTION OF OLIVE OIL
IN MEDITERRANEAN BASIN COUNTRIES

Country	Average 1954-55/ 1957-58	1962-63	1963-64	1964-65	Forecast 1965-66
	1,000 short tons	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*
Greece	144	62	230	142	220
Italy	274	342	593	320	385
Portugal	86	68	109	53	85
Spain	358	360	650	225	330
Turkey	69	55	72	110	83
Tunisia	60	50	98	105	65
Others	89	85	90	123	97
Total	1,080	1,022	1,842	1,078	1,265

Rhodesian Flue-cured Auctions Close

Auction sales of 1965-crop flue-cured tobacco ended in Salisbury, Rhodesia, on September 10. The total volume passing over the auction floors was 246.0 million pounds, at an average price equivalent to 38.5 U.S. cents per pound, compared with 323.8 million, at an average of 30.3 cents, last year.

Weekly prices throughout the 1965 selling season were consistently higher than the extremely low prices received in 1964, when the average price for the season was the lowest in many years. British buyers purchased about 112 million pounds compared with 121 million in 1964.

Iran's 1965-66 Cotton Crop a Record

Iran's 1965-66 cotton crop, now being harvested, is estimated at a record 640,000 bales (480 lb. net), 21 percent above last season's 530,000 bales and 30 percent above the average production of 494,000 bales during the past five seasons.

This increase in production is attributed to favorable climatic conditions in most of the cotton growing areas. Nearly 40 percent of the estimated 940,000 acres devoted to the 1965-66 crop is under irrigation. The supply of irrigation water in both rivers and wells was reportedly sufficient.

Iran exported an estimated 322,000 bales of cotton in 1964-65 (August-July), slightly under last season's 326,

000. Exports of cotton to principal destinations during 1964-65 in 1,000 bales, with comparable 1963-64 figures in parentheses, were the United Kingdom 73 (97), the USSR 51 (50), Hungary 43 (29), Poland 43 (41), West Germany 28 (9), Czechoslovakia 21 (12), France 16 (21), Taiwan 14 (0), Italy 10 (44), Yugoslavia 7 (0), and the Netherlands 6 (4).

Consumption of cotton in Iran in 1964-65 amounted to 210,000 bales, the same as in 1963-64 but well below the record use of 250,000 in 1961-62. Consumption this season is expected to be somewhat above that of a year ago, but synthetic fiber imports continue to compete with locally produced cotton textile products. Reportedly, domestic consumption of imported synthetic fibers has amounted to about 20,000 metric tons annually in recent years.

Cotton stocks on August 1, 1965, were estimated at about 20,000 bales, slightly below those of a year earlier.

Prices for Iranian cotton on the Liverpool market have softened recently. Iranian SM 1 1/16 inch new-crop cotton was quoted at an average price of 28.20 U.S. cents per pound, c.i.f. Liverpool, in August compared with 28.52 in July and 29.15 in August of 1964.

U.S. Cotton Imports for August Announced

U.S. imports of cotton for consumption totaled 53,000 bales (480 lb. net) in August, the first month of the 1965-66 quota year for long staple growths. Imports in August 1964 amounted to 49,000 bales.

Practically all of the imports during August entered under the 1965-66 global quota on long staple cotton (1⅛ inches and longer), with Egypt the largest supplier. There were small entries of short harsh Asiatic cotton, which is not subject to quota. In recent years, the global quota of about 82,500 bales of extra long staple (1⅜ inches and longer) cotton has usually been filled in the first month of the quota year. Through August 31 of the 1965-66 quota year, only 65 percent of the extra long staple quota was offered for entry and authorized to be released.

U.S. IMPORTS OF COTTON

(Bales of 480 pounds net)

Origin	Year beginning August 1					
	Average		1963	1964	August	
	1950-54	1955-59			1964	1965
	1,000 bales	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*
Brazil	(1)	1	1	0	0	0
Burma	(1)	(1)	2	1	0	(1)
China, Mainland [2]	0	0	0	0	0	0
India	29	7	15	17	1	(1)
Mexico	15	36	25	9	0	(1)
Pakistan	8	15	7	3	(1)	0
Peru	13	17	34	13	5	21
Sudan	2	1	5	5	2	(1)
UAR (Egypt)	83	59	46	70	41	31
USSR	(1)	(1)	0	0	0	0
Other countries	2	2	0	0	(1)	1
Total [3]	152	138	135	118	49	53

[1] Less than 500 bales. [2] Includes Taiwan (Formosa) prior to January 1, 1953. [3] Includes small quantities that are re-exported each year.

Compiled from Bureau of Census records.

Japan's Soft Fiber Output Declines

Domestic production of all soft fibers in Japan is expected to drop in 1965. Consumption of jute is expected to increase slightly, while smaller usage is forecast for the other three fibers—flax, ramie, and hemp.

The area sown to flax—the principal domestic soft fiber—continues to decline each year, and in 1965 is estimated at only 12,850 acres, down sharply from the 20,040 planted in 1964. During the peak production period in the 1940's, the total planted area averaged close to 100,000 acres. Following World War II, the area declined each year, as labor became more expensive and other crops became more profitable.

Ramie imports remain under the Fund Allocation system, but no import restrictions are placed on flax, jute, and hemp. As a result of a small carryover on January 1, 1965, imports of jute are forecast at a higher level in 1965 than 1964. Imports of flax are also expected to be up, while ramie and hemp imports will probably decline.

Jute (and kenaf) imports have come mainly from Pakistan and Thailand, with Pakistan normally supplying the larger share. During January-June 1965, however, Thailand supplied 70 percent of the 50,156 tons imported for the period. While import prices for kenaf from Thailand during the first half of 1965 averaged 8.0 cents per pound against 7.1 cents during 1964, comparable prices for jute from Pakistan were up much more sharply to 14.4 cents from 9.9.

JAPAN'S PRODUCTION AND IMPORTS OF SOFT FIBERS

Fiber	Production		Imports	
	1964	1965 [1]	1964	1965 [1]
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
Flax	4,150	2,900	3,518	4,000
Ramie	650	500	3,979	3,500
Jute	520	500	76,188	85,000
Hemp	704	704	159	100
Total	6,024	4,604	83,844	92,600

[1] Estimated.

Mexican Istle Production Increases

Mexico's 1965 production of prepared lechuguilla fiber (Ixtle de Lechuguilla) is forecast at 19.8 million pounds, and palma istle (Ixtle de Palma) at 27.6 million pounds, or increases of 12.5 percent and 4.2 percent, respectively. Production in 1964 is estimated at 17.6 million pounds for lechuguilla and 26.5 million for palma.

Istle grows wild throughout the dry areas of northeastern Mexico and is gathered by the people of the area, mostly as a supplemental cash crop. All the raw fiber is marketed through one organization, La Forestal, F.C.L.

Exports of the lechuguilla fiber fell to 14.7 million pounds in 1964 from 16.9 million in 1963. Exports and consumption together exceeded production in both years, thus reducing carryover stocks. Domestic mill consumption remained at an estimated 6.6 million pounds per year. Exports plus consumption may increase in 1965 to exceed production by as much as 12.5 million pounds, thus reducing carryover stocks into 1966 to about 700,000 pounds.

Most of the palma istle is consumed domestically. Consumption remains at about 24.3 million pounds annually. Exports were 650,000 pounds in 1964, considerably less than the 5.4 million in 1963 or the 2.2 million forecast for 1965. Stocks, which fell from 4.7 million pounds to 1.6 million during 1963, have since been building up and are expected to reach 4.2 million by the end of 1965.

The United States is the most important single importer,

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but the United Kingdom, Italy, France, the Netherlands, and other European countries take more than half the total exports of both fibers. Synthetic fibers and other less expensive natural fibers are strong competitors of both of the istles.

Philippine Ramie Production Declines

Philippine production of ramie fiber in 1964-65 is estimated at 4,800 metric tons, or 10 percent below the 1963-64 crop of 5,345 tons. The reduction in the 1964-65 outturn is due partly to reduced acreage resulting from a dropoff in foreign demand. Efforts are being made by the Philippine industry to develop new outlets. Recently, a trial shipment of ramie was made to the United States with the hope of developing the market for "beef shrouds."

In recent years, Japan has been the major outlet for Philippine ramie exports, taking 3,195 tons of the 3,535 tons shipped in July-June 1964-65. Other markets in 1964-65 included the Netherlands 202 tons, Indonesia 57, and Italy 51. Total exports, however, were down 7 percent from 1963-64 shipments.

Philippine consumption of ramie fiber during 1964-65 is estimated at 997 tons—the largest since the two ramie textile mills went into production. Ramie fiber stocks on June 30, 1965 were estimated at 2,804 tons.

Nigeria To Build More Cocoa-Processing Plants

The Government of Nigeria's Western Region has recently concluded an agreement with a West German firm to build a 30,000-ton capacity cocoa-processing plant at Ikeja. The new facility will cost $5.3 million and will provide employment for approximately 500 persons. Limited operations are expected to begin by mid-1966.

The government has previously contracted for the construction of a similar 30,000-ton complex, also at Ikeja, and for a 20,000-ton plant at Koko. This will bring Nigeria's potential cocoa-processing capacity to 80,000 tons. In addition, negotiations are currently being undertaken for two or three smaller cocoa processing complexes.

Italian Hemp Output Continues To Decrease

Italian production of hemp fiber is expected to drop to around 6,000 metric tons in 1965, as the area devoted to this crop—16,000 acres—is down nearly one-fourth from last year. However, no further reduction in hemp acreage is expected in the near future. Production of hemp fell to 9,560 tons in 1964 from 14,170 in 1963.

Italy's total supply of hemp for the 1964-65 season, ending August 31, 1965, was estimated at 19,260 tons, with imports of 7,900 tons against exports of 3,500. Hungary and Yugoslavia are Italy's major hemp suppliers. Principal destinations were West Germany and Switzerland. Consumption of hemp in Italy decreased 13 percent to 14,960 tons and will probably drop again in 1965-66.

WORLD CROPS AND MARKET INDEX

Cotton
14 Iran's 1965-66 Cotton Crop a Record
15 U.S. Cotton Imports for August Announced

Fats, Oilseeds, and Oils
12 Philippine Exports of Copra and Coconut Oil
13 India's Castorbean Production
13 Czechoslovakia's Rapeseed Output Increases
13 Nigeria's Purchases of Palm Products
13 The Netherlands Output of Flax Down
13 Tung Oil Shipments From Buenos Aires
13 French Flax Crop Down in 1965-66
14 Japan-Mainland China Agree on Soybean Prices
14 Portuguese Olive Oil Exports
14 Mediterranean Olive Oil Outturn To Rise in 1965-66

Fruits, Vegetables, and Nuts
10 Smaller Greek Dried Fig Pack
11 Short French Walnut Crop
11 French Dried Prune Pack Short
11 Portuguese Dried Fig Estimate
12 Iranian Date, Raisin, and Dried Apricot Prospects
12 South African Canned Fruit Pack Revised

Grains, Feeds, Pulses, and Seeds
10 Argentina Expects Another Large Wheat Crop
10 Peru Buying Rice From the United States

Livestock and Meat Products
10 U.K. Importing Less Lard

Sugar, Fibers, and Tropical Products
15 Japan's Soft Fiber Output Declines
15 Mexican Istle Production Increases
16 Philippine Ramie Production Declines
16 Nigeria To Build More Cocoa-Processing Plants
16 Italian Hemp Output Continues To Decrease

Tobacco
15 Rhodesian Flue-cured Auctions Close